

House Amendment 1262

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1 1 Amend House File 729 as follows:
1 2 #1. Page 2, by inserting after line 2 the
1 3 following:
1 4 <Sec. _____. Section 97B.42, Code 2005, is amended
1 5 by adding the following new unnumbered paragraphs:
1 6 NEW UNNUMBERED PARAGRAPH. Notwithstanding any
1 7 other provision of this section, commencing July 1,
1 8 2006, a member who is employed by a school district or
1 9 area education agency as an elementary or secondary
1 10 school teacher may elect coverage under the eligible
1 11 alternative retirement benefits system as provided in
1 12 section 294.17, in lieu of continuing or commencing
1 13 contributions to the Iowa public employees' retirement
1 14 system. However, the employer's and employee's annual
1 15 contribution in dollars to the eligible alternative
1 16 retirement benefits system shall equal, but not
1 17 exceed, the annual contribution in dollars which the
1 18 employer and employee would contribute if the employee
1 19 had elected to remain an active member under this
1 20 chapter, as set forth in section 97B.11. A member who
1 21 elects coverage under the eligible alternative
1 22 retirement benefits system as provided by this
1 23 paragraph may withdraw the member's accumulated
1 24 contributions effective when coverage under the
1 25 eligible alternative retirement benefits system
1 26 commences. A member who is employed by a school
1 27 district or area education agency as an elementary or
1 28 secondary school teacher prior to July 1, 2006, must
1 29 file an election for coverage under the eligible
1 30 alternative retirement benefits system described in
1 31 section 294.17, with the system and the employing
1 32 school district or area education agency within
1 33 eighteen months of the first day on which coverage
1 34 commences under the eligible alternative retirement
1 35 benefits system described in section 294.17, or the
1 36 employee shall remain a member under this chapter and
1 37 shall not be eligible to elect to participate in the
1 38 eligible alternative retirement benefits system at a
1 39 later date. A person hired on or after July 1, 2006,
1 40 by a school district or area education agency as an
1 41 elementary or secondary school teacher must file an
1 42 election for coverage under the eligible alternative
1 43 retirement benefits system with the system and the
1 44 employing school district or area education agency
1 45 within sixty days of commencing employment, or the
1 46 employee shall remain a member under this chapter and
1 47 shall not be eligible to elect to participate in the
1 48 eligible alternative retirement benefits system at a
1 49 later date. The system shall cooperate with the state
1 50 board of education and with applicable school
2 1 districts and area education agencies to facilitate
2 2 the implementation of this provision.
2 3 NEW UNNUMBERED PARAGRAPH. Notwithstanding any
2 4 other provision of this section, commencing July 1,
2 5 2006, a member who is employed by a public hospital
2 6 may elect coverage under the eligible alternative
2 7 retirement benefits system as provided in section
2 8 347.14 or 392.6, in lieu of continuing or commencing
2 9 contributions to the Iowa public employees' retirement
2 10 system. However, the employer's and employee's annual
2 11 contribution in dollars to the eligible alternative
2 12 retirement benefits system shall equal, but not
2 13 exceed, the annual contribution in dollars which the
2 14 employer and employee would contribute if the employee
2 15 had elected to remain an active member under this
2 16 chapter, as set forth in section 97B.11. A member who
2 17 elects coverage under the eligible alternative
2 18 retirement benefits system as provided by this
2 19 paragraph may withdraw the member's accumulated
2 20 contributions effective when coverage under the
2 21 eligible alternative retirement benefits system
2 22 commences. A member who is employed by a public
2 23 hospital prior to July 1, 2006, must file an election
2 24 for coverage under the eligible alternative retirement

2 25 benefits system described in section 347.14 or 392.6,
2 26 with the system and the employing public hospital
2 27 within eighteen months of the first day on which
2 28 coverage commences under the eligible alternative
2 29 retirement benefits system described in section 347.14
2 30 or 392.6, or the employee shall remain a member under
2 31 this chapter and shall not be eligible to elect to
2 32 participate in the eligible alternative retirement
2 33 benefits system at a later date. A person hired on or
2 34 after July 1, 2006, by a public hospital must file an
2 35 election for coverage under the eligible alternative
2 36 retirement benefits system with the system and the
2 37 employing public hospital within sixty days of
2 38 commencing employment, or the employee shall remain a
2 39 member under this chapter and shall not be eligible to
2 40 elect to participate in the eligible alternative
2 41 retirement benefits system at a later date. In
2 42 addition, an election by a member to participate in an
2 43 alternative retirement benefits system as provided by
2 44 this paragraph shall be irrevocable and the member
2 45 shall not be eligible to elect coverage under this
2 46 chapter while employed by a public hospital in this
2 47 state that has made an alternative retirement benefits
2 48 system available. The system shall cooperate with
2 49 boards of trustees of public hospitals authorized to
2 50 offer an eligible alternative retirement benefits
3 1 system to facilitate the implementation of this
3 2 provision.>

3 3 #2. Page 2, by inserting after line 21 the
3 4 following:

3 5 <Sec. _____. Section 256.7, Code 2005, is amended by
3 6 adding the following new subsection:

3 7 NEW SUBSECTION. 26. By July 1, 2006, provide for
3 8 the establishment of an eligible alternative
3 9 retirement benefits system for elementary and
3 10 secondary school teachers employed by a school
3 11 district or area education agency consistent with the
3 12 requirements of section 294.17.

3 13 Sec. _____. NEW SECTION. 294.17 ELIGIBLE
3 14 ALTERNATIVE PENSION AND ANNUITY RETIREMENT SYSTEM.

3 15 1. The state board of education shall establish an
3 16 eligible alternative pension and annuity retirement
3 17 system, hereafter called the "retirement system",
3 18 effective July 1, 2006, for elementary and secondary
3 19 school teachers employed by a school district or area
3 20 education agency pursuant to the requirements of this
3 21 section. The state board of education shall be the
3 22 plan sponsor of the retirement system and shall file
3 23 an application for a favorable determination letter
3 24 for the retirement system with the internal revenue
3 25 service.

3 26 2. The state board of education shall select a
3 27 provider of the retirement system that is a financial
3 28 institution capable of providing bundled services for
3 29 the retirement system, including, but not limited to,
3 30 administration, investment management, employee
3 31 education, and recordkeeping. In selecting a
3 32 provider, the state board of education shall place
3 33 primary emphasis on the reasonableness of services in
3 34 relation to cost, the ability and experience of the
3 35 provider in providing bundled retirement services to
3 36 the educational community, the financial stability of
3 37 the provider, and the ability of the provider to
3 38 provide services as required by this section.

3 39 3. To be an eligible alternative retirement
3 40 benefits system, the retirement system shall meet the
3 41 following requirements:

3 42 a. The retirement system shall be an employer=
3 43 sponsored defined contribution plan requiring
3 44 mandatory employer contributions that meet the
3 45 requirements of section 401(a) of the Internal Revenue
3 46 Code.

3 47 b. The employer's and employee's annual
3 48 contribution in dollars under an eligible alternative
3 49 retirement benefits system described in this section
3 50 shall equal, but not exceed, the annual contribution
4 1 in dollars which the employer and employee would
4 2 contribute if the employee had elected to remain an
4 3 active member pursuant to the Iowa public employees'
4 4 retirement system, as set forth in section 97B.11.
4 5 Contributions under the retirement system shall be

4 6 treated in the same manner as contributions under the
4 7 Iowa public employees' retirement system are treated
4 8 pursuant to section 97B.11A.

4 9 c. Employer and employee contributions under the
4 10 retirement system shall be fully vested immediately.

4 11 d. Upon termination of employment as an elementary
4 12 or secondary school teacher employed by a school
4 13 district or area education agency, the teacher shall
4 14 be eligible to receive a benefit payable in at least
4 15 any of the following forms:

4 16 (1) Payment of all or part of the teacher's
4 17 account balance in the retirement system in a lump
4 18 sum.

4 19 (2) Payment based on the teacher's account balance
4 20 in the retirement system in monthly, quarterly, or
4 21 annual installments over a fixed reasonable period of
4 22 time, not exceeding the life expectancy of the teacher
4 23 and the teacher's beneficiary, if applicable.

4 24 (3) Payment based on the teacher's account balance
4 25 in the form of a single life or joint life and
4 26 survivorship annuity.

4 27 4. Persons employed by a school district or area
4 28 education agency as an elementary or secondary school
4 29 teacher on or after July 1, 2006, may elect coverage
4 30 under the retirement system established in this
4 31 section in lieu of coverage under the Iowa public
4 32 employees' retirement system, pursuant to the
4 33 requirements of section 97B.42.

4 34 Sec. _____. Section 347.14, Code 2005, is amended by
4 35 adding the following new subsection:

4 36 NEW SUBSECTION. 17. Provide an eligible
4 37 alternative retirement benefits system offered through
4 38 the county hospital pursuant to this subsection which
4 39 is issued by or through an insurance company
4 40 authorized to issue annuity contracts in this state
4 41 for persons employed by the county hospital in lieu of
4 42 coverage under the Iowa public employees' retirement
4 43 system. For purposes of this subsection, "eligible
4 44 alternative retirement benefits system" means an
4 45 employer-sponsored primary pension plan requiring
4 46 mandatory employer contributions that meets the
4 47 requirements of section 401(a), 401(k), 403(a), or
4 48 403(b) of the Internal Revenue Code.

4 49 Sec. _____. Section 392.6, Code 2005, is amended by
4 50 adding the following new unnumbered paragraph:

5 1 NEW UNNUMBERED PARAGRAPH. The board of trustees
5 2 may provide an eligible alternative retirement
5 3 benefits system offered through the city hospital
5 4 pursuant to this paragraph which is issued by or
5 5 through an insurance company authorized to issue
5 6 annuity contracts in this state for persons employed
5 7 by the city hospital in lieu of coverage under the
5 8 Iowa public employees' retirement system. For
5 9 purposes of this paragraph, "eligible alternative
5 10 retirement benefits system" means an employer=
5 11 sponsored primary pension plan requiring mandatory
5 12 employer contributions that meets the requirements of
5 13 section 401(a), 401(k), 403(a), or 403(b) of the
5 14 Internal Revenue Code.>

5 15 #3. By renumbering as necessary.

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PAULSEN of Linn

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JENKINS of Black Hawk

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BAUDLER of Adair

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6 25 VAN ENGELENHOVEN of Marion
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6 29 ARNOLD of Lucas
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6 41 EICHHORN of Hamilton
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